

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

June 24, 2021

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clem Kaikis	Mark Harrison
Chuck Martin	Mike Howard
Laura Pasternak	Anthony Williams
Mara Sierocinski	Timothy Smoot
Gina Ramsey	Stanley Tucker
	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

May 27, 2021

EXTENSIONS

Midas Rx Pharmacy, LLC - Fokos Group, LLC, dba Midas Rx Pharmacy
Unified Solutions Services, LLC

REPORT

New City Construction, LLC – **Withdrawn from the agenda.**

NEW REQUESTS

Cherry's Beauty Supply Store, LLC - **Withdrawn from the agenda.**
Stacato, LLC

MODIFICATIONS

OGOS Energy, LLC
Visionary Women's Health, LLC

RENEWAL

MainStreet Technologies, Inc.

The closed session of May 27, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Mara Sierocinski, Chuck Martin, Gina Ramsey, Kenny Oreagba, and Laura Pasternak. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the modifications of Care Management Consulting, LLC, and Lyles Cleaning Services, LLC. Both requests were approved.

1. Care Management Consulting, Inc. – Renewal of EPIP line of credit and increase line of credit from \$200,000 to \$400,000
2. Lyles Cleaning Services, LLC – Increase contract financing line of credit from \$150,000 to \$200,000; increase advance rate from 80% to 90% until October 28, 2021

MINUTES

May 27, 2021

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes with an amendment.

EXTENSION

Presenter: Randy Croxton

Applicant: Unified Solutions Services, LLC

Loan Amount:

1. \$550,000 Surety Bond Direct
2. \$120,000 Contract Financing Line of Credit

Comments: Approval was requested for a 30-day maturity date extension on the Surety Bond and the Line of Credit through July 22, 2021, to allow more time to review the financial statements for renewal on both facilities.

Discussion: The following was discussed:

1. Timing of the submission of the expected financial statements
2. Contracts requiring surety bonding; agencies and amounts
3. Original approval date; expected graduation

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the requests as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: MainStreet Technologies, Inc.

Loan Amount: \$750,000 Line of Credit

Original Approval Date: March 31, 2016

Request: A maturity date extension to June 10, 2021, was requested to allow more time to prepare for a renewal.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: Point of Excellence Beauty Academy, LLC

Loan Amount:

1. \$50,000 EPIP Term Loan
2. \$250,000 Surety Bond Direct

Comments: Approval was requested to provide a 30-day approval extension for both facilities through June 24, 2021, to allow more time to close.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

EXTENSION

Presenter: Tim Smoot

Applicant: Midas Rx Pharmacy, LLC/Fokos Group, LLC

Loan Amount: \$200,000 EPIP Term Loan

Original Approval Date: October 17, 2017

Comments: Approval was requested to extend the maturity date of the term loan through August 26, 2021, to allow more time to prepare a loan restructure of the balloon payment that was due at maturity.

Discussion: The following was discussed:

1. Status of the monthly payments
2. Loan maturity date
3. Reporting requirements; minimum financial documents needed to finalize the loan restructure request
4. The borrower's reasons for the delay in submitting the requested financial documents

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request to extend the maturity date to July 22, 2021. MMG was requested to strongly encourage the borrower to submit the required documentation as a matter of urgency and to inform the borrower that the loan is quickly approaching default status. MMG was requested to provide a status report during the next scheduled meeting on July 8, 2021.

EXTENSION

Presenter: Tim Smoot

Applicant: J. Marshall & Associates, LLC

Loan Amount:

1. \$400,000 EPIP Term Loan
2. \$100,000 EPIP Line of Credit

Original Approval Date: November 21, 2017

Comments: The borrower was able to get a financing commitment from M&T Bank and will be graduating from the program. It was noted that the graduation took less than five years.

Discussion: There was limited discussion.

Action Taken: No action was required. MMG has requested the borrower to write a letter regarding its experience with MSBDFA.

The Open Meeting then closed at 1:30 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), “to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter”, that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:



Celester A. Hall
Chairman

DATE:

7-30-21